

Fiscal Impacts of Wind Energy on Michigan's Schools: Interview Research

In fall 2016, school officials from four Michigan communities with utility-scale windfarms were contacted requesting interviews. We interviewed with four officials from three of these communities. The officials included financial administrators and superintendents at both the local school district and intermediate school district level. The school districts represent a range of windfarm sizes—ranging from 2 to over 100 turbines within a single district. The interviews aimed to understand what impact the wind turbines were having on the community schools. In summary, the interview data show:

The budgets for Intermediate School Districts (ISDs) can increase and help local districts, depending upon the millage rate and number of turbines.

- o One ISD with many turbines used windfarm-related revenues to fund:
 - Staff positions—special education, speech therapists, reading specialists, school psychologists.
 - Infrastructure—fiber internet network, transportation for dual enrollment program.
- o Interviewees from ISDs with low millages or few turbines did not notice any effect of wind farms.

Windfarms have no monetary effect on the local school district general fund.

- o Michigan schools receive a per-pupil foundation allowance. (For most of the schools we interviewed, the current allowance is \$7,511).
- o The allowance is first comprised of funds from local property taxes and then supplemented with state funds.
- o Windfarms increase the money districts receive from local taxes, but this decreases the money received from the state.
- o This shift changes the timing of cash flow. When the revenue is raised through local taxes, the district receives a lump sum delivered in the winter when taxes are due instead of smaller monthly payments from the state. Some respondents preferred receiving the lump sum, while others did not have a preference.

Turbine-related taxes revenues can benefit other district funds.

- o Districts can increase debt fund—to pay for buildings, technology upgrades, bus programs.
- o Districts can increase sinking fund—to pay for infrastructure such as asphalt, poles, and tracks.
- o These funds were only mentioned in one interview. Not all districts have established these funds, and given low millage rates for these funds, the effects may be too small to detect the changes in the annual budget.

Donations to school programs free up other financial resources.

- o In one community, the wind developer donated directly to the school's athletic department. This allowed the school flexibility to address other needs.
- o Other districts did not mention monetary or in-kind donations from the wind developer.